
SUBSTITUTE HOUSE BILL 2536

State of Washington 60th Legislature 2008 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Cody, VanDeWege, Hasegawa, Ormsby, Seaquist, Morrell, Schual-Berke, Upthegrove, and Green)

READ FIRST TIME 01/28/08.

1 AN ACT Relating to the creation of a citizens' work group on health
2 care reform; creating new sections; providing an expiration date; and
3 declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that:

6 (1) In the past two decades, Washington state has implemented
7 legislative initiatives to improve access to quality, affordable health
8 care in the state. These initiatives, which placed Washington in the
9 forefront of states addressing their residents' health care needs,
10 include:

11 (a) The basic health plan providing affordable coverage to over one
12 hundred thousand individuals and families below two hundred percent of
13 the federal poverty level;

14 (b) The "cover all children" initiative, expanding publicly funded
15 coverage to children in families under three hundred percent of the
16 federal poverty level and promising to cover all children by 2010;

17 (c) The blue ribbon commission on health care costs and access
18 resulting in the passage of Engrossed Second Substitute Senate Bill No.

1 5930, that, among other actions, directed state agencies to integrate
2 prevention, chronic care management, and the medical home concept into
3 state purchased health care programs;

4 (d) The movement toward evidence-based health care purchasing for
5 state health care programs, including the prescription drug program and
6 its preferred drug list, the health technology assessment program, the
7 use of medical evidence to evaluate medical necessity under state
8 medical assistance programs and the direction provided in Engrossed
9 Second Substitute Senate Bill No. 5930 relating to aligning payment
10 with evidence-based care; and

11 (e) The development of patient safety initiatives, including health
12 care facility reporting of adverse medical events and hospital-acquired
13 infection reporting.

14 (2) Despite these initiatives, the cost of health care has
15 continued to increase at a disproportionately high rate.

16 (3) Affordability is key to accessing health care, as evidenced by
17 the fact that more than half of the uninsured people in Washington
18 state are in low-income families, and low-wage workers are far more
19 likely to be uninsured than those with higher incomes. These
20 increasing costs are placing quality care beyond the reach of a growing
21 number of Washington citizens and contributing to health care
22 expenditures that strain the resources of individuals, businesses, and
23 public programs.

24 (4) Efforts by public and private purchasers to control
25 expenditures, and the stress these efforts place on the stability of
26 the health care workforce and viability of health care facilities,
27 threaten to reduce access to quality care for all residents of the
28 state.

29 (5) Prompt action is crucial to prevent further deterioration of
30 the health and well-being of Washingtonians.

31 (6) Addressing an issue of this importance and magnitude demands
32 the full engagement of concerned Washingtonians in a reasoned
33 examination of options to improve access to quality, affordable health
34 care.

35 NEW SECTION. **Sec. 2.** The Washington citizens' work group on
36 health care is established.

1 (1) By April 1, 2008, the insurance commissioner, in consultation
2 with the governor and the chairs of the health care policy committees
3 of the senate and house of representatives, shall appoint nine citizen
4 members who may include, but are not limited to, representatives from
5 business, labor, health care providers and consumer groups, and persons
6 with expertise in health care financing and health care ethics. The
7 work group shall actively engage Washingtonians in a public process to
8 examine options for improving access to quality, affordable health care
9 and direct the economic analysis of several health care reform
10 proposals, as provided in section 3 of this act.

11 (2) To engage Washingtonians in a process to examine options for
12 improving access to quality, affordable health care, the work group
13 shall:

14 (a) Seek to maximize participation of Washingtonians from all walks
15 of life and all parts of the state by conducting meetings in all
16 regions of the state and providing other venues for participation;

17 (b) Provide information to Washingtonians on the state's health
18 care achievements to date and ongoing trends or issues that negatively
19 affect affordability, access, quality, and efficiency;

20 (c) Present information and seek public input about the health care
21 proposals described in section 3 of this act, including any findings
22 from the economic analysis of the proposals;

23 (d) Communicate its efforts through a variety of methods,
24 including:

25 (i) A concise guide describing underlying health care issues, the
26 health care proposals under review, and principles guiding the
27 evaluation of those proposals;

28 (ii) A web site that announces meeting times and locations,
29 provides detailed information on the health care proposals under
30 review, and provides opportunities for public input; and

31 (iii) Public service announcements.

32 (3) The economic analysis of health care reform proposals provided
33 in section 3 of this act shall be conducted by an independent entity.
34 Each evaluation shall address the impact of implementation of the
35 proposal on:

36 (a) The number of Washingtonians covered and number remaining
37 uninsured;

- 1 (b) The scope of coverage available to persons covered under the
2 proposal;
- 3 (c) The impact on affordability of health care to individuals,
4 businesses, and government;
- 5 (d) The redistribution of amounts currently spent by individuals,
6 businesses, and government on health, as well as any savings;
- 7 (e) Administrative efficiencies and resulting savings;
- 8 (f) The impact on hospital charity care; and
- 9 (g) The extent to which each proposal promotes:
- 10 (i) Improved health outcomes;
- 11 (ii) Prevention and early intervention;
- 12 (iii) Chronic care management;
- 13 (iv) Services based on empirical evidence;
- 14 (v) Incentives to use effective and necessary services;
- 15 (vi) Disincentives to discourage use of marginally effective or
16 inappropriate services; and
- 17 (vii) A medical home.
- 18 (4) By December 1, 2008, the work group shall report to the
19 appropriate committees of the legislature on the work group's findings,
20 including:
- 21 (a) A summary of the work group's activities, including meetings
22 held, number of people in attendance, and number of contacts from the
23 public;
- 24 (b) A summary of public input;
- 25 (c) The results of the work group's review of the proposals. In
26 reviewing the proposals, the work group shall evaluate the extent to
27 which each proposal:
- 28 (i) Provides a medical home for every family;
- 29 (ii) Provides health care that Washington families can afford;
- 30 (iii) Promotes improved health outcomes, in part through a more
31 efficient delivery system;
- 32 (iv) Requires that individuals, employers, and government share in
33 financing the proposal; and
- 34 (v) Enables Washington families to choose their provider and health
35 network, and have the option of retaining their current provider;
- 36 (d) A summary of the work group's conclusions; and
- 37 (e) Recommendations related to the work group's review of the

1 proposals, including suggestions for the adoption of any health care
2 proposal during the 2009 session of the legislature.

3 (5) The work group may seek other funds including private
4 contributions and in-kind donations for activities described under
5 subsection (2) of this section.

6 (6) This section expires June 30, 2009.

7 NEW SECTION. **Sec. 3.** (1) The work group shall present information
8 and seek public input about, direct the economic analysis of, and
9 review the following health care proposals:

10 (a) A proposal permitting carriers to offer health plans with
11 reduced requirements. The proposal should permit carriers to adjust
12 rates by up to eight percent annually based upon the medical claims
13 experience of an insured group, and exempt carriers from certain
14 requirements defined in chapters 48.21, 48.42, and 48.43 RCW, including
15 requirements to cover:

16 (i) Certain providers, including: Chiroprody; optometry; registered
17 nurses or advanced registered nurses, as well as the categories of
18 health care providers subject to the requirements of RCW 48.43.045(1);

19 (ii) Services, including: Chemical dependency benefits;
20 chiropractic; diabetes treatment; dentistry; denturist services;
21 emergency medical services; home health care; hospice care; long-term
22 care facility following hospitalization; lumpectomy; mammograms;
23 mastectomy; maternity services; mental health treatment;
24 phenylketonuria; prenatal diagnosis of congenital disorders; prostate
25 cancer screening; neurodevelopmental therapies; reconstructive breast
26 surgery; temporomandibular joint disorders; and women's health care
27 services; and

28 (iii) Certain groups, including: Dependent coverage for
29 incapacitated children; dependents under age twenty-five; coverage for
30 adopted children;

31 (b) A proposal to expand upon the health insurance partnership
32 under chapter 70.47A RCW by allowing individuals and large employer
33 groups to purchase health benefit plans through the partnership;

34 (c) A proposal to provide a guaranteed benefit plan for all
35 Washingtonians covering annual catastrophic health expenses of
36 medically necessary care in excess of ten thousand dollars and basic

1 preventive care including annual examinations, cancer screenings,
2 immunizations, and at least one dental care visit;

3 (d) A proposal that:

4 (i) Covers all Washingtonians except those covered under a
5 federally funded program, are incarcerated, or are new to the state;

6 (ii) Selects networks based on a competitive procurement process in
7 which each applicant submits a bid using the same uniform package of
8 benefits;

9 (iii) Provides a fee-for-service option;

10 (iv) Promotes evidence-based practices and technologies; and

11 (v) Is funded through a payroll assessment applied to employers and
12 employees;

13 (e) A proposal to establish a single payer health care system, in
14 which residents of Washington state receive a guaranteed package of
15 health care services from health care providers that contract directly
16 with and are paid by the state.

17 (2) In addition to the proposals described in subsection (1) of
18 this section, the work group may develop its own proposal.

19 NEW SECTION. **Sec. 4.** (1) Consistent with funds appropriated
20 specifically for this purpose, the office of the insurance commissioner
21 shall provide staff support and administrative services to the work
22 group including:

23 (a) Contracting with a consultant to schedule and locate work group
24 and community meetings, and facilitate meetings and other activities to
25 enable the work group to complete its responsibilities in a timely and
26 effective manner; and

27 (b) Contracting with an independent consultant with expertise in
28 health economics and actuarial science to evaluate the health care
29 reform proposals under consideration. The office of the insurance
30 commissioner may contract with a consultant already providing similar
31 services to a state agency if doing so will expedite the work without
32 compromising quality or increasing cost.

33 (2) The office of the insurance commissioner shall provide staff
34 support for the efforts of the work group upon request.

35 NEW SECTION. **Sec. 5.** This act is necessary for the immediate

1 preservation of the public peace, health, or safety, or support of the
2 state government and its existing public institutions, and takes effect
3 immediately.

4 NEW SECTION. **Sec. 6.** If specific funding for the purposes of this
5 act, referencing this act by bill or chapter number, is not provided by
6 June 30, 2008, in the omnibus appropriations act, this act is null and
7 void.

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